



ADMINISTRATIVE REPORT

Report Date: November 25, 2009
Contact: Jessica Chen
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RTS No.: 8400
VanRIMS No.: 08-2000-20
Meeting Date: December 17, 2009

TO: Standing Committee on Planning and Environment

FROM: Director of Planning

SUBJECT: Chinatown Society Buildings Strategy: Planning Grant Approval and
Historic Market Alley Commemoration Project

RECOMMENDATION

- A. THAT Council approve one Planning Grant of up to \$100,000 to Yue Shan Society and subject to the conditions outlined in Appendix A. The source of funds is the 2009 Capital Budget for Chinatown Society Buildings Planning Grant Program - Phase II. Eight affirmative votes are required for the approval of Grants.
- B. THAT Council approve the Historic Market Alley Commemoration Project at an estimated cost of \$20,000. The source of funds is the 2008 Capital Budget for Chinatown Public Realm Improvements.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

On February 14, 2008, City Council approved the Society Buildings Rehabilitation Strategy, which included the Chinatown Society Buildings Planning Grant Program: Phase I (RTS #06114).

On May 21, 2009, City Council approved extension of the Chinatown Society Planning Grant Program: Phase II (RTS #08097).

On July 6, 2009, City Council approved the Chinatown Yue Shan Society Courtyard Improvement Project, as the first step towards the reactivation of historic Market Alley.

PURPOSE AND SUMMARY

The purpose of this report is to seek Council approval for one grant under the Chinatown Society Buildings Planning Grant Program: Phase II to Yue Shan Society which has completed the application process and met the eligibility requirements. The report also seeks Council approval for funding for the Historic Market Alley Commemoration Project, to preserve this unique feature in Chinatown's urban environment.

BACKGROUND

The Chinatown Vision approved by Council in 2002 identified protecting the area's heritage and culture while bringing in new energy and investment as an important direction. Chinatown Societies and their heritage buildings contribute significantly to the area's distinct heritage character and cultural identity. Many of these heritage buildings had courtyards and breezeways, as well as commercial storefronts facing the alleys. The buildings and their connection to the streets and alleys formed an urban development pattern that is unique in Vancouver and encourages pedestrian and community interactions.

Chinatown Society Buildings Planning Grant Program: Phase I Update

In February 2008, City Council approved the Chinatown Society Heritage Buildings Rehabilitation Strategy ("the Strategy"), including the Society Buildings Planning Grant Program: Phase I ("the Grant Program") to assist Societies in the preparation of Rehabilitation Plans for their heritage buildings. To accommodate the additional interest from Chinatown Societies who did not participate in Phase I, Council approved extension of the Program on May 21, 2009 (Phase II). Five grants of up to \$100,000 each are available for 2009. The report and the Program's policies and procedures are available on the City's website at <http://vancouver.ca/chinatown>.

Through the implementation of Phase I and II of the Grant Program, up to 10 Society heritage buildings will have Rehabilitation Plans prepared. Council approved that Phase II be the final phase of the Program, as 10 grants are sufficient to accommodate the interested Societies.

The five Chinatown Societies receiving grants in Phase I included:

- Lim Sai Hor Kow Mock Benevolent Association (531 Carrall Street)
- Mah Society of Canada ("Asia Hotel" at 137-139 E. Pender Street)
- Shon Yee Benevolent Association of Canada ("May Wah Hotel" at 254 E. Pender Street)
- Yee Fung Toy Society of Canada (226 E. Georgia Street)
- Chinese Nationalist League of Canada (525 Gore Avenue)

The Societies engaged consultant teams to undertake the preparation of their Rehabilitation Plans, which included an overall vision for their Society building, a Conservation Plan, Business Plan (including a pro forma cost estimate of the rehabilitation) and Implementation Plan for the building's rehabilitation. Four Societies have completed their Rehabilitation Plans. The Rehabilitation Plan preparation for one Society is currently on hold.

The Rehabilitation Plan incorporated each Society's operational and service delivery needs into the building's rehabilitation scheme to ensure the organization will continue to contribute to Chinatown's revitalization. In general, the rehabilitation schemes featured renovated and additional space, allowing the Societies to intensify their programming and draw more vibrancy and people into the neighbourhood. Further, the rehabilitation schemes

proposed to serve the larger community and support Chinatown's growth by providing new and improved housing.

Two of the four Society buildings (Mah Society of Canada and Shon Yee Benevolent Association) are designated under the City's Single Room Accommodation Bylaw. The rehabilitation schemes proposed upgrading the rooms into better quality non-market housing for seniors. For the other two Society buildings (Yee Fung Toy Society of Canada and Lim Sai Hor Kow Mock Benevolent Association), the targeted residential tenure is market housing with a focus on affordable rental and ownership.

All four buildings have not had major renovation or upgrade since constructed nearly a century ago. In general, all of the schemes involve exterior and interior building renovation with improved access and seismic upgrade. The level of upgrade explored varies for each project, ranging from maintenance and rehabilitation of the existing structure, additions on top and new construction on portions of the site.

The City's Heritage Buildings Rehabilitation Program (HBRP) was adjusted in 2009, and transfer of density is currently on hold. Heritage façade grants are still available under the adjusted HBRP, and Societies buildings are eligible to apply. With the current challenges of transfer of density, it is important that Societies explore other public and private sources of funding. The two Societies proposing non-market housing will be seeking public funding partners, including BC Housing. For the Societies proposing private housing, one of the options being considered is a shared-equity financing model, which will rely on investments from Society members. Staff will continue to assist the Societies in seeking funding partnerships to enable and support the rehabilitation of their buildings.

Historic Market Alley

While the Societies continue to work towards rehabilitation of their heritage buildings, it is also important to preserve the unique features in the surrounding environment, to ensure the heritage context is not lost. On July 21, 2009, Council approved the Yue Shan Society Courtyard Improvement Project as the first step towards the reactivation of historic Market Alley. The courtyard improvement is currently underway and will re-establish the physical and visual connections between Pender Street and Market Alley. The upgrade also includes cleaning and painting of the building's rear façade to create a more inviting environment in the alley. Many Vancouver residents retain vivid memories of the vibrant commercial activities in Market Alley, and there is strong community interests in reactivating this historic alley through public realm improvement and more active use in the long term.

DISCUSSION

Chinatown Society Buildings Planning Grant Program: Phase II

As with Phase I of the Grant Program, the Grant Program Policies and Procedures approved by Council for Phase II in May 2009 outlined a two-stage application process (see Appendix A for application process and eligibility criteria). All Societies who own heritage buildings in Chinatown and have not participated in Phase I were notified of the Grant Program in writing, with Policies and Procedures as well as application forms provided in both English and Chinese.

Staff began accepting applications on July 20, 2009, and has received one Expression of Interest letter from Yue Shan Society, with no others received to date. Yue Shan Society has now completed the two-stage application process, meet the eligibility requirements, and have agreed to the Payment of Grant Process and Conditions outlined in Appendix A.

Summarized below is an overview of Yue Shan Society, its heritage building, and the heritage rehabilitation ideas the Society and its consultants will explore using the grant funding. A map showing where the Society is located in Chinatown is provided in Appendix B.

Yue Shan Society (37 E Pender Street)

Yue Shan Society was formed around 1939 by and for clan members from Poon Yue county near Guangzhou in Chinatown. The Society currently has a membership of over 4,000, and is one of the largest Societies in Chinatown. The Society organizes regular activities for members including table tennis, singing, dancing, Kung Fu and Lion Dance practices, performances and parades. The Society hall is actively used on a daily basis by members to socialize and play chess.

Yue Shan Society acquired the property at 37 E Pender Street in 1943 to serve as the Society headquarters. The property is comprised of three buildings organized around a central courtyard. The entire property is municipally designated, and the two buildings facing Pender Street (33-39 E Pender and 49-47 E Pender) are Class "B" heritage buildings. Current uses include commercial on ground floor, society meeting halls, and residential units in the 3 storey building facing Market Alley.

The central courtyard has significant historic value, as it is the last remaining original courtyard in Chinatown. The Society would like to retain the courtyard in their rehabilitation scheme, and if feasible, would also explore activating commercial spaces along Market Alley to revitalize this historic alley.

Based on the proposal received, the expected time required to complete the Rehabilitation Plan will be approximately 11 months. Yue Shan Society will be required to meet with staff in summer 2010 to review progress of the work and address any issues.

Historic Market Alley Commemoration Project

Market Alley was intimately linked with the City's early history - it was named after the city market that operated in the old City Hall building, also known as "Market Hall", on Main Street near Hastings Street. Research confirmed that the lane that runs two blocks between Pender Street and Hastings Street from Main Street to Carrall Street was known as Market Alley since early 1890s (see Appendix B for location).

Market Alley was once bustling with activities, including commercial establishments facing the alley, and access for apartments on upper floors. Historical references showed a number of Chinatown businesses with addresses on the Alley - some of the more well known ones included the Green Door and the Red Door restaurants. The Green Door operated as late as 1999.

To support community's interests in activating Market Alley, the project will include research and production of a map guide to highlight Market Alley and other heritage alleys in Chinatown. The City had previously worked with Vancouver Heritage Foundation to produce

map guides for Chinatown Society Buildings, Japantown and Carrall Street Greenway. These map guides have been widely distributed and successful. In addition, the project will also include public realm improvements, such as signage and lighting, to commemorate the history of Market Alley. The project will increase recognition and improve the appearance of Market Alley in the short term, while setting the tone for commercial revitalization in the long term.

FINANCIAL IMPLICATIONS

The 2009 Capital Budget for Downtown Eastside Revitalization included \$800,000 for assisting Chinatown Societies with the rehabilitation of their heritage buildings, of which \$500,000 was allocated to Phase II of the Chinatown Society Buildings Planning Grant Program.

Staff recommend approval of one Planning Grant of up to \$100,000 to Yue Shan Society. Source of funds is the 2009 Capital Budget (Downtown Eastside Revitalization) for Chinatown Society Buildings Planning Grant Program - Phase II. As approved on May 21, 2009, the Grant Program is available for 2009. With approval of this grant, there will still be \$700,000 remaining in 2009 Capital Budget to assist with the overall Chinatown Society Buildings Rehabilitation Strategy. Staff will report back in 2010 with an update on the Grant Program and implementation of the overall Society Buildings Rehabilitation Strategy.

In addition, staff recommend approval of \$20,000 for the Historic Market Alley Commemoration Project. Source of funds is the 2008 Capital Budget (Downtown Eastside Revitalization) for Chinatown Public Realm Improvement.

CONCLUSION

The rehabilitation of heritage buildings owned by Chinatown Societies is important to the revitalization of Chinatown as a complete neighbourhood with a strong cultural identity. The Society buildings and their connection to the streets and alleys form an urban development pattern that is unique and encourages pedestrian and community interactions.

The Society Buildings Planning Grant will assist Yue Shan Society in the preparation of Rehabilitation Plans for their heritage building. Commemoration of historic Market Alley will contribute towards the preservation of Chinatown's heritage character, and support the community's efforts in reactivating the alley.

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APPENDIX A

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CHINATOWN SOCIETY BUILDINGS PLANNING GRANT PROGRAM: PHASE II POLICIES AND PROCEDURES

INTRODUCTION

City Council has approved this grant program to assist Family Associations and Benevolent Societies (Societies) to prepare Rehabilitation Plans for their heritage buildings.

Societies and their heritage buildings are critical to the cultural legacy of Chinatown. The successful rehabilitation of these important buildings will ensure that current and future space and programming needs of the Societies are met, and the buildings are preserved for future generations.

The Chinatown Society Buildings Planning Grant is available to eligible Chinatown societies to assist in development of a Rehabilitation Plan for their buildings that responds to their vision, programming and operational needs, heritage building condition, and resources.

Five grants of \$100,000 each are available for 2009, as Phase 2 of the program.

PURPOSE

- To foster the cultural legacy of Chinatown through the rehabilitation and revitalization of Society buildings.
- To build capacity within Chinatown Societies to undertake the successful rehabilitation of their heritage buildings.

OBJECTIVE FOR PHASE II

- To assist five Societies with the preparation of a Rehabilitation Plan specific to their heritage building, programming and operational needs.

ELIGIBILITY CRITERIA

- Member-based organization (Family Association or Benevolent Society)
- Registered non-profit society status
- Ownership of a building, located in Chinatown (HA-1 and HA-1A), that is listed on the Vancouver Heritage Register (VHR)
- Interest in undertaking a full building rehabilitation (major upgrade) of the heritage building
- Minimum commitment of \$20,000 towards the cost of preparing the Rehabilitation Plan.

APPLICATION PROCESS

Applications for the Society Buildings Planning Grant shall be submitted in two stages. Details regarding the submission requirements and process are outlined under the "Procedures" section of this document.

PROCEDURES

1. Application Process

Applications for Society Buildings Planning Grant will be made in two stages:

A. Application Form and Expression of Interest Letter - Expressions of Interest will be date-stamped as received. The first five Societies to submit a complete Application Form and Expression of Interest letter will be notified and invited to prepare a Full Proposal.

B. Full Proposal - Full Proposals will be evaluated for completeness and reasonableness by City staff, and will be taken to Council for grant approval.

Expressions of Interest and Full Proposals shall be submitted to:

Chinatown Community Plan c/o Central Area Division
Planning Department, City of Vancouver
#406 - 515 West 10th Avenue, Vancouver BC V5Z 4A8

Note: Deliveries can be made by hand or courier, and shall be made Monday to Friday between 8:30am and 4:30pm only.

2. Submission Requirements

Application Form & Expression of Interest Letter

The Society Building Planning Grant Program application form must be completed, signed, and submitted at the same time as the Expression of Interest Letter.

The Expression of Interest must be in letter format (maximum of five pages) and signed by the Society chairperson or a similar officer. The letter must be submitted in hard copy (one copy required), and must include the following information:

- Overview of Society (brief history, number of current members, list of key services and activities, etc.)
- Description of the Society's involvement in Chinatown revitalization initiatives and events
- Description of current and/or proposed programming activities that contribute to revitalization of Chinatown
- Description of heritage building (building name, address, age, current use, physical condition, etc.)
- Description of possible scope of rehabilitation work that could be undertaken and any specific redevelopment ideas the Society may have to date (if any)
- Acknowledgement of the minimum financial commitment (\$20,000) required by the Society for the Rehabilitation Plan project
- Acknowledgement of the Payment of Grant process and conditions as described in the Program's policies & procedures
- Other information deemed relevant by the Society

Full Proposal

Full proposals must be submitted in hard copy (one copy required) and must include the following:

- Society's project management structure (including the identification of one Society member as the key contact for the project)
- Proposed consultant team and roles (include consultant profiles/CVs)
- Contact information (key contacts for the Society and consultants)
- Detailed work program and timeline
- Detailed budget (including amount of grant requested, and the amount the Society will put towards the project)
- Letter of Commitment (from the Society indicating the availability of \$20,000 for the study)
- Title Search (copy of current title search from the Land Title Office, for each parcel affected by the proposal)
- Other information as deemed appropriate by the Society and consultants

Deadline for Full Proposals

The first five Societies to submit a complete Expression of Interest will be notified and invited to prepare a Full Proposal. Societies will have eight weeks from this notification to submit their Full Proposal. If a Full Proposal is not received by the required deadline, the Society whose Expression of Interest was received next will be invited to submit.

Application Costs

The costs of preparing and submitting an Expression of Interest or Full Proposal, including any consultant fees, are the sole responsibility of the Society. These costs may be recovered as part of the Rehabilitation Plan budget, if the grant is approved.

3. Proposal Evaluation

Staff will review the Full Proposal for completeness and reasonableness and consistency with the Expression of Interest, and will meet with the Society to discuss any adjustments that may be needed.

4. Council Approval of Grant

Council approval of the grant will be sought based on the Full Proposal submitted and any recommended revisions by staff.

5. Steps in Planning Work

A. Grant Release - Stage 1

Once the grant is approved by Council, the Society must establish a trust account for the Rehabilitation Plan project. Proof of deposit of the Society's share of the project budget (\$20,000) into the trust account must be provided to the City of Vancouver before release of the Society Buildings Planning Grant funds will be made. Once confirmation of the trust account and deposit is received, 50% of grant (to a maximum of \$50,000) will be released (Stage 1) and the planning work can begin.

B. Meeting - Review of Options

The Society and their consultants must arrange to meet with City staff when options for rehabilitation have been developed and the preferred option has been identified.

The purpose of this meeting is to review the work undertaken to date, the various options considered, and discuss the Society/consultant rationale for the preferred option. Also required will be a status review of planned deliverables. This meeting is an opportunity to provide feedback and address any questions or issues.

C. Final Report

One copy of the final Rehabilitation Plan report and associated deliverables must be submitted to the City in accordance with the timelines identified in the work program. A meeting of staff, the Society and their lead consultant will be scheduled to discuss the Rehabilitation Plan and related deliverables, and to assess Phase 1 of the Program.

D. Grant Release - Stage 2

After the submission of the final report and presentation to the City, the Society must provide documentation of the project budget and actual costs incurred (invoices) for the Rehabilitation Plan project. Once confirmed, the final grant amount will be issued (Stage 2).

DELIVERABLES

In order to qualify for the full grant amount, the Society must provide a Rehabilitation Plan that includes the components outlined below, as well as any others as deemed appropriate by the Society and their consultants. These may be submitted as separate documents or as one major document.

Executive Summary

- Overview of Society (brief history, number of current members, list of key services and activities, etc.)
- Description of heritage building (building name, address, age, current use, physical condition, etc.)
- Overall Vision - a vision for the Society building and its integration with Chinatown
- Programming Vision - description of activities and space needs, and how the rehabilitated building will contribute to revitalization of Chinatown
- Review of options and rationale for preferred rehabilitation scheme

Conservation Plan

- Statement of Significance (per the *Standards & Guidelines for the Conservation of Historic Places in Canada*)
- Structural Engineer's Report - analysis of the building's existing condition and compliance with the Vancouver Building By-law (as applicable)
- Assessment of the building's existing condition, description of proposed rehabilitation scheme, and proposed conservation strategies and procedures
- Plans, elevations, sections to identify the building's existing condition, building elements for removal/retention/replacement, and conservation procedures.
- Other graphic materials as appropriate and possible with the available budget (i.e. photos of building facades and character defining elements, streetscape, digital models, etc.)

Business Plan

- Proforma for rehabilitation scheme and identification of shortfall
- Rehabilitation funding strategy including existing Society resources, options for fundraising and financing

- Operational budget & management plan for the building post-rehabilitation

Implementation Plan for Building Rehabilitation

- Work program for implementation of the rehabilitation scheme (next steps/key tasks), including identification of who within the Society will lead the project through the next steps, and a proposed timeline

ADMINISTRATION AND CITY ROLE

The Grant Program will be administered by Chinatown Community Plan staff, in the Central Area Division of the Planning Department. The purpose of the Grant Program is to assist Societies in the development of a Rehabilitation Plan for their heritage buildings. Staff review of the Full Proposal, Options, and Final Report is primarily to assess completeness of submission requirements and deliverables.

During the project, staff may provide Societies and their consultants with information on City policies and procedures. However, these discussions are not considered part of the City's Heritage Revitalization Agreement (HRA) scoping or enquiry process, and advice given by staff does not indicate support or approval for the proposed rehabilitation project. Once the planning work is complete, the Societies may begin the formal enquiry process with the City for their rehabilitation project.

ELIGIBLE EXPENSES

The following items are eligible expenses for the Society Buildings Planning Grant:

- Consultant fees related to, or for the preparation of:
 - Overall project management
 - Proforma analysis
 - Construction cost analysis
 - Business plan
 - Conservation plan
 - Implementation plan
- Associated production and meeting costs related to the preparation of the foregoing

Grant funds are not to be used for general administrative costs of the Society. Retroactive funding for planning work undertaken prior to submission of the Expression of Interest will not be considered. Costs incurred for preparing the Expression of Interest and Full Proposal may be considered eligible for coverage by the grant, noting that the Society must provide at least \$20,000 toward the total cost of the Rehabilitation Plan.

COST SHARING

The maximum value of the Society Buildings Planning Grant is \$100,000. The Society must also contribute a minimum of \$20,000 to the development of the Rehabilitation Plan, for a total project budget of \$120,000. If less than the full approved grant is spent on the project, the final grant amount will be reduced accordingly. However, the Society's share of costs will remain at \$20,000 regardless of the final project cost.

PAYMENT OF GRANT PROCESS AND CONDITIONS

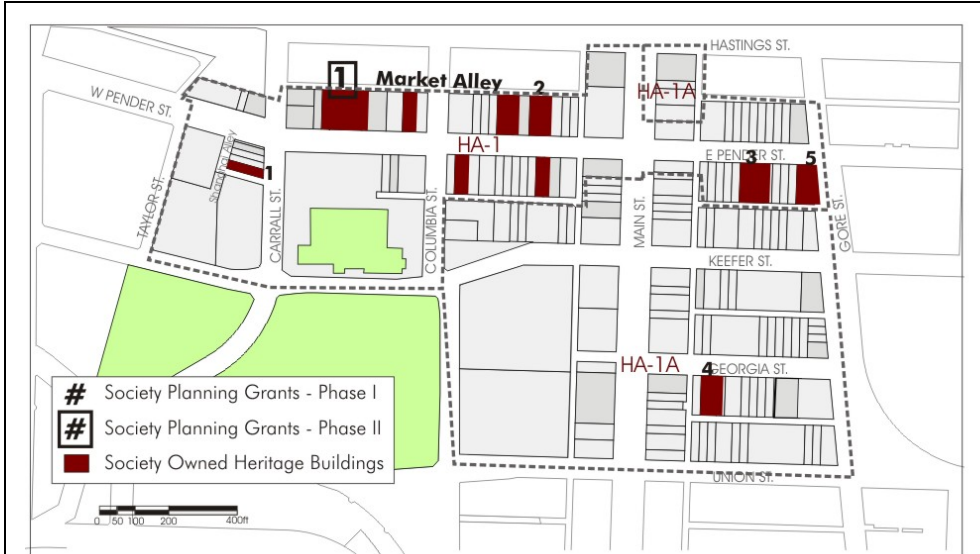
The grant will be released in two stages as outlined below, with cheques made payable to the Society:

Stage 1 - After approval of the grant by Council, the Society must provide the City with documentation showing establishment of a trust account opened by the Society for the Rehabilitation Plan project and a deposit by the Society into this account for \$20,000. Once this has been confirmed, the City will provide the Society with 50% (maximum of \$50,000) of the total grant amount.

Stage 2 - After the final Rehabilitation Plan report and deliverables have been submitted, and the lead consultant and Society have presented to City staff, the Society must provide the City with the final project budget and actual costs incurred (invoices). Once the project costs have been confirmed, the final grant payment will be made. The size of the final payment will be based on actual costs incurred, less the Society's contribution of \$20,000 and the Stage 1 payment, to a maximum total grant value of \$100,000.

Prior to receiving any funds, the Society must complete, sign, and submit to the City the Society Buildings Planning Grant Program application form, which outlines the conditions of the grant.

MAP: LOCATION OF SOCIETIES IN CHINATOWN
(PHASE I AND PHASE II PLANNING GRANTS)





1 525-531 Carrall
Lim Sai Hor (Kow Mock)
Benevolent Association

Year Built: 1903
Heritage Category: C

Phase I



2 137-139 E Pender
Mah Society of
Canada
(Asia Hotel)
Year Built: 1915
Heritage Category: C



3 254-262 E Pender
Shon Yee Benevolent
Association
(May Wah Hotel)
Year Built: 1914
Heritage Category: B



4 222-226 E Georgia
Yee Fung Tong Society

Year Built: 1929
Heritage Category: C



5 525 Gore
Chinese Nationalist League
of Canada
(Kuomintang Building)
Year Built: 1920
Heritage Category: A

Phase II



1 33-39 E Pender
Yue Shan Society

Year Built: 1920
Heritage Category: B